



UPDATE WINTER 2019—ISSUE NO. 88



MESSAGE FROM THE CBA PRESIDENT



George Famalett, CPA, President

As the 2018-2019 CBA president, I wish to offer my thanks and appreciation to Michael M. Savoy, CPA, and the rest of my colleagues at the CBA. It is an honor and privilege to lead the CBA, and I look forward to the projects and priorities we plan to address in 2019.

As we work through these items, our consumer protection mission will continue to guide all our actions:

Sunset Review

A major priority for the CBA this year has been our preparations for sunset review in 2019. Each professional licensing board within the California Department of Consumer Affairs goes through sunset review every four years. During this process, the Legislature examines each board's performance and processes to pursue its mission.

In CBA's Nov. 2018 meeting, we approved our 2018 *Sunset Review Report*, which contains detailed descriptions of our activities since our prior sunset review in 2015, including hearings in the Legislature, which took place in February.

Representatives of the CBA appeared before the California Legislature during our sunset review hearing to consider the effectiveness of the CBA's administration of its consumer protection programs and functions. As president, I led the CBA's involvement in this process, including our testimony at the Feb. 26 hearing.

Outreach

In fall 2018, the CBA participated in an outreach event sponsored by the California Society of CPAs at Pasadena City College. This highly successful event was attended by over 200 students interested in hearing about the pathway to obtain a CPA license in California.

In 2019, the CBA looks forward to visiting more community college campuses to discuss the requirements for licensure. Further, we plan to hold a CBA meeting and outreach event on a college campus in

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CALIFORNIA BOARD OF ACCOUNTANCY *Newsletter*



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late 2019, similar to our Sept. 2017 CBA meeting at California State University, Fullerton.

In addition, the CBA will expand its communication and outreach toward licensees, including developing focused campaigns on specific topics, like unlicensed activity and continuing education requirements.

New Online Services

One major accomplishment last year was the creation of a system that allows licensees to renew their license online. In December, the system launched, and you can now pay your renewal fees online and submit your renewal application and Peer Review Reporting (PR-1) Form through email. See our article on page 5 to learn more.

In 2019, we plan to expand these systems to accept online payment of initial licensure and uniform CPA examination fees, and initial licensure applicants will be able to fill out and submit an online application form.

Continuing Education (CE) Reciprocity

According to the National Association of State Boards of Accountancy (NASBA), 26 out of 55 jurisdictions allow their licensees, generally, to satisfy their own CE requirements by meeting the CE requirements of the state where they mainly conduct business. This is known as CE reciprocity.

California, however, requires licensees to meet its own CE requirements, regardless of the CE requirements of the state in which they are licensed. The CBA has begun to explore the impact of CE reciprocity policies.

These matters will be exciting to address, and I look forward to a productive year as CBA president. Please read future *UPDATE* issues for further information on these and other CBA developments throughout the year.

George Famalett, CPA
2018-2019 CBA President

CBA MEMBERS

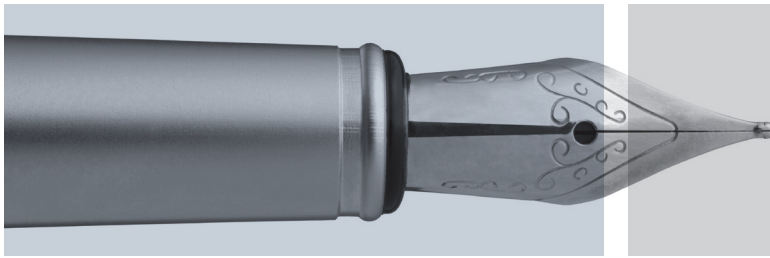
George Famalett, *CPA, President*
Mark J. Silverman, *Esq., Vice President*
Nancy J. Corrigan, *CPA, Secretary/
Treasurer*
Alicia Berhow
Jose A. Campos, *CPA*
Karriann Farrell Hinds, *Esq.*
Mary M. Geong, *CPA*
Dan Jacobson, *Esq.*
Xochitl A. León
Luz Molina Lopez
Carola A. Nicholson, *CPA*
Deidre Robinson
Katrina L. Salazar, *CPA*
Michael M. Savoy, *CPA*
CBA currently has one vacancy

COMMITTEE CHAIRS

Joseph Rosenbaum, *CPA*
Enforcement Advisory Committee
Jeffrey De Lyser, *CPA*
Peer Review Oversight Committee
Kimberly Sugiyama, *CPA*
Qualifications Committee

CBA STAFF

Patti Bowers, *Executive Officer*
Deanne Pearce, *Assistant Executive Officer*
Dominic Franzella, *Enforcement Chief*
Aaron Bone, *UPDATE Managing Editor*
Monique Langer, *UPDATE Editor*
Terri Dobson, *UPDATE Production*



IMMEDIATE PAST PRESIDENT'S MESSAGE



Michael M. Savoy, CPA
Immediate Past President

It has been an honor and pleasure to serve as CBA president in 2018. I would like to express my heartfelt appreciation to my colleagues on the board for their trust in me and to the entire CBA organization for their hard work and dedicated service to the public throughout the year.

In Nov. 2018, the CBA members elected new leadership and I wish to extend my congratulations to CBA President George Famalett, CPA; Vice-President Mark J. Silverman, Esq.; and Secretary/Treasurer Nancy J. Corrigan, CPA.

The past year has been both a time of change and growth at CBA. We are excited to adopt technology improvements that enhance the way we serve our applicants and licensees. First, I am pleased to share that our licensees now have the option to pay their renewal fees online with a debit or credit card (see the article on page 5 for details). This is one key step toward embracing more modern and streamlined application and renewal processes. Look in future *UPDATE* issues and on the CBA website for announcements on upcoming technology improvements.

The CBA has also worked hard this year to increase our outreach efforts and opportunities, working in many areas to engage diverse groups of consumers and stakeholders. This leads to greater awareness of our consumer protection mission and the programs and services we offer.

Another significant initiative was our effort to make permanent the CBA's mobility program, which allows qualified out-of-state licensees to practice

public accounting in California. We are grateful the Legislature and governor supported this effort through the passage of Senate Bill 795 (Galgiani, Chapter 447, Statutes of 2018) and that consumers will continue to benefit from this program.

In addition, I wish to extend my thanks and appreciation for the time and dedication of the CBA's Advisory Committee members. Their invaluable efforts help the CBA achieve our consumer protection mission. We currently have vacancies on three committees: Enforcement Advisory Committee, Peer Review Oversight Committee, and Qualifications Committee. More information about those committees and how to apply to serve is available on our website at www.cba.ca.gov by selecting the "About the CBA" link, then selecting "Opportunities to Serve." I hope you will consider giving back to your profession and the public through committee service.

Finally, as we move into the new year, I encourage you to follow along and participate in the CBA's 2019 public meetings. Our agendas and meeting materials are available on the CBA website under "Quick Hits" by selecting the "CBA & Committee Meetings" link.

Your voice is a valuable part of our work.

Michael M. Savoy, CPA
Immediate Past President



MESSAGE FROM THE EXECUTIVE OFFICER



Patti Bowers, Executive Officer

As I reflect back on our accomplishments and activities during 2018, I am filled with pride and appreciation for the dedication of our CBA members and staff who work each day to fulfill our mission to protect consumers.

That mission permeates all we do, including our planning and process improvement efforts, which have been a special focus of our work. Every year, we prepare an annual report, which reviews our work over the prior year and looks ahead to the next year. Also in 2018, CBA members and staff completed our *Sunset Report* (see the article on page 12 for more on the sunset review process) and began developing a new strategic plan to document our key goals and objectives over the next three-year period.

While we continuously look for ways to improve, drafting these reports simultaneously presented new opportunities for CBA to examine how we do business to maximize our available resources.

Sunset Review

As we progress through 2019, we will continue with CBA's sunset review before the California Legislature which takes place every four years. This review is a key opportunity for us to showcase the work we have done in recent years to protect consumers and provide service to our stakeholders. We value and respect the role of the elected members of the Legislature, who provide key input and policy direction as CBA administers its programs.

Leadership Transition

At the end of each year, CBA undergoes a leadership transition. I am grateful to the leadership of immediate past President Michael M. Savoy, CPA, and am excited for the opportunity to serve under President George Famalett, CPA.

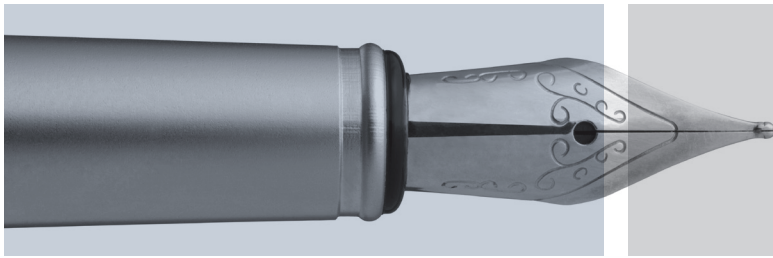
Patti Bowers

Executive Officer

MOVING? DON'T FORGET A CBA CHANGE-OF-ADDRESS FORM

CBA uses your address of record to contact you with important documentation related to license renewal, law changes, and other matters. To ensure that you continue to receive written communication from CBA, whenever your address of record on file with CBA changes, you are required to provide your new address of record to CBA within 30 days of that change. Although the U.S. Postal Service is presenting the primary method used by CBA to communicate with applicants and licensees, we request that you provide an email address as well.

For your convenience, CBA has provided an address change form in the back of this publication and made it available online. To access it, visit www.cba.ca.gov and click the "Licensees" link. Then, under "CA CPA Licensees Forms," select "Address Change."



UPDATE WINTER 2019



SAVE TIME, RENEW ONLINE!

The CBA is excited to announce the launch of an online payment option for license renewals.

In early December, CBA staff, in collaboration with the Department of Consumer Affairs, finalized an online system for accepting credit card payments. The credit card payment processing company Elavon provides a secure online transaction for license renewals. There is no fee to use this service.

Online license renewal payment is available to most CPAs, PAs, corporations, and partnerships. To see if you are eligible for online renewal, visit “Quick Hits” on the CBA’s home page, and click “Renew Your License Online.”

You can also visit our new “Payment Options and Fees” page for a comprehensive listing of licensing fees and to access the online payment options.

Renewing your license online is easy—and all electronic.



Visit our “Payment Options and Fees” page and click on your license type to find the “Renew Online” link. Complete the online payment with a Visa, MasterCard, or American Express credit card or debit card.



Submit the following documents via email to **renewalapp@cba.ca.gov** within 10 days of making your online payment:

- Completed and signed renewal application.
- Completed continuing education worksheet.
- Completed and signed Peer Review Reporting Form.

The CBA is pleased to provide this service to licensees, and we are also looking forward to launching online payment options for examinations and initial licensing in the near term.

If you have any questions about the renewal process, please contact the Licensing Renewal Unit at (916) 561-1702 or via email at **renewalinfo@cba.ca.gov**.



UNDER THE DOME

The California Legislature returned to session on Dec. 3, 2018. Throughout each year, the CBA engages the Legislature on bills that may impact its consumer protection mission. Below are some bills the CBA is following this year.

Assembly Bill 1521 (Committee on Business and Professions)

CBA Position: Support

Summary: This is the CBA's sunset bill and would extend the authority of the CBA to operate and continue its licensing and enforcement functions. See page 12 to read more about the sunset review process.

Senate Bill (SB) 51 (Hertzberg)

CBA Position: Watch

Summary: This bill would establish cannabis limited charter banks and cannabis limited charter credit unions to provide limited banking services to the cannabis industry. This legislation would allow the newly created financial institutions to accept and maintain cash deposits and issue checks for specified purposes.

SB 53 (Wilk)

CBA Position: Oppose

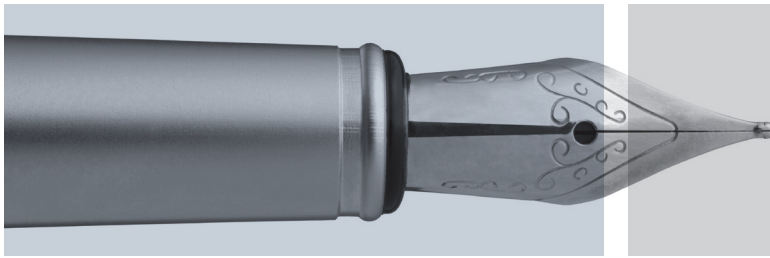
Summary: This bill requires any advisory committee meetings of a state body that consists of two members to be subject to the Bagley-Keene Open Meeting Act.

The CBA recognizes the value of our open meeting laws, and operates in an open and transparent manner. The CBA may use two-member advisory committees to work independently on projects and then report back to the whole committee or board in a meeting open to the public. If signed into law, the bill would limit this practice and increase the CBA's costs.

For a complete list of all bills upon which the CBA has taken a position, please visit www.cba.ca.gov and under the "Quick Hits" section, click "Laws and Rules" and then select "Pending Legislation."

To learn more about bills introduced in the California Legislature, please visit www.leginfo.legislature.ca.gov.





CONSIDER SERVING ON A CBA COMMITTEE

Serving on a CBA advisory committee is a rewarding experience and a way for licensees to give back to the profession. As a member of an advisory committee, you can provide valuable input into the work of licensing and regulating the largest group of certified public accountants in the nation.

The CBA is currently recruiting to fill positions on its Enforcement Advisory Committee (EAC), Peer Review Oversight Committee (PROC), and Qualifications Committee (QC).

- ✓ The EAC assists the CBA in an advisory capacity with enforcement activities. The committee offers technical guidance on open investigations, participates in investigative hearings, and reviews closed investigation files.
- ✓ The PROC provides recommendations to the CBA to help ensure the effectiveness of the mandatory peer review program. The PROC provides oversight

of the California Society of CPAs administration of peer review.

- ✓ The QC assists the CBA in its licensure activities by reviewing the experience of applicants for licensure and making recommendations to the CBA. This responsibility includes conducting work paper reviews with applicants or with employers present to verify that the responses provided are reflective of the requisite experience for licensure.

Committee members are appointed by the CBA and serve two-year terms, up to a maximum of four terms.

For additional information, including other conditions of appointment, please visit www.cba.ca.gov, select the “About the CBA” tab, and click on “Opportunities to Serve.”

FUTURE MEETINGS

May 2, 2019

Enforcement Advisory Committee

DoubleTree Anaheim–Convention Center
2085 South Harbor Blvd.
Anaheim, CA 92802
(714) 750-3000

May 3, 2019

Peer Review Oversight Committee

2450 Venture Oaks Way, Suite 300
Sacramento, CA 95833
(916) 263-3680

May 8, 2019

Qualifications Committee

2450 Venture Oaks Way, Suite 300
Sacramento, CA 95833
(916) 263-3680

May 16-17, 2019

CBA and Committee Meetings

2450 Venture Oaks Way, Suite 300
Sacramento, CA 95833
(916) 263-3680

CBA and committee meetings are open to the public. Consumers, licensees, and all interested persons are encouraged to attend. As meeting locations are determined, they will be posted on the CBA website at www.cba.ca.gov under “Quick Hits,” click the “CBA and Committee Meetings” link. Meeting locations are also available by calling the CBA office at (916) 263-3680. Public notices and agendas are posted to the website at least 10 days prior to meetings. All CBA meetings are webcast live and archived at www.cba.ca.gov.



LATEST CBA ANNUAL REPORT AVAILABLE ONLINE

CBA published its annual report, which provides an overview of our accomplishments in the past year and a look at the items on the horizon. The biggest achievements are in the areas of mobility and online license renewal payments. Here are some highlights from the CBA's 2017-18 Fiscal Year Annual Report:

Mobility Program Made Permanent

Due to legislation supported by the CBA and signed into law in 2018, the CBA's mobility program is now permanent. This program allows qualified out-of-state CPAs to practice public accountancy in California without providing notice or paying a fee.

In Dec. 2017, the CBA published its report to the Legislature detailing the program's success in enhancing consumer protection by setting national enforcement standards that are currently met by all state boards of accountancy.

Technology Improvements

In collaboration with the Department of Consumer Affairs, CBA has developed a new system to allow licensees to pay their renewal fees by credit card through an online portal. The system is available now and can be accessed through the CBA's website (www.cba.ca.gov).

This will be an interim solution until the CBA's Business Modernization Project is completed, which will provide for significant automation and new online services for stakeholders.

Enforcement Successes

The CBA's Enforcement Program conducts investigations of possible violations of the laws and rules that govern the practice of public accountancy in California.

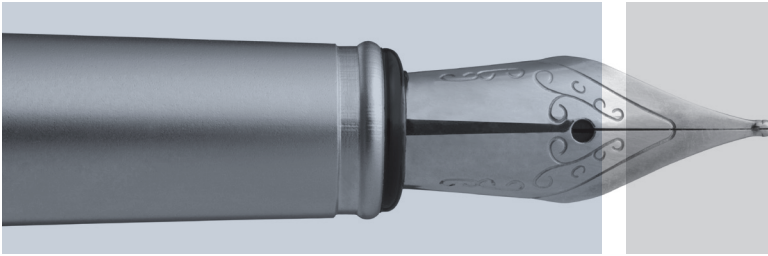
During fiscal year 2017-18, the CBA closed 2,356 investigations (the highest volume over the prior three fiscal years), with most cases taking less than six months to close. In addition, the CBA is enhancing communication to its stakeholders to increase enforcement efforts related to the unlicensed practice of public accountancy.

Outreach Achievements

For the past three years, the CBA has focused on enhancing its outreach efforts. The CBA has numerous methods to reach stakeholders, including the CBA website, the CBA's list service ("E-News"), traditional and social media, and outreach events focused on consumers and applicants for examination and licensure.

Below are two examples of successful outreach events:

1. The CBA held its Sept. 2017 meeting in conjunction with two student outreach events at California State University, Fullerton. During both events, CBA staff explained the requirements for CPA licensure. Additionally, CBA members and representatives from the California Society of Certified Public Accountants discussed their perspective on the CPA profession and services available to students, respectively.
2. At the request of faculty from the accounting department at California State University, San Bernardino, the CBA held an outreach event in Feb. 2018 to explain the current examination, education, and experience requirements for CPA licensure.



LATEST CBA ANNUAL REPORT AVAILABLE ONLINE CONTINUED FROM PAGE 8

Fiscal Responsibility

While pursuing its consumer protection mission, the CBA operates in a fiscally responsible manner and ensures its funds are spent exclusively to support this mandate. During the 2017-18 fiscal year, the CBA's budget was \$14,089,000.

The CBA ended the fiscal year with a reserve of approximately \$27,124,000, but that reserve is projected to drop by more than \$4 million per year, as the CBA has been operating under decreased applicant and licensing fees in recent years.

To establish a structurally balanced budget and maintain a prudent reserve, the CBA is pursuing an increase to its license renewal and initial licensure fees. The CBA will hold a public hearing on the proposed fee increase. Look for details to be posted to the CBA's website in coming months.

To read the 2017-18 Fiscal Year Annual Report and learn more about our work during the past year, visit www.cba.ca.gov and click on the “**Communications & Outreach**” tab, then click “**CBA Reports.**”



CBA WANTS TO HEAR FROM YOU

CBA wants to hear from consumers, applicants, licensees, and other stakeholders regarding how it can improve the services provided. CBA uses the Stakeholder Satisfaction Survey as an important tool to receive feedback and allow stakeholders to express their thoughts on their interactions with CBA staff.

CBA management reviews the comments received and uses them to help shape its priorities and determine training needs for staff.

Please take a moment to tell CBA about the service you received, or any other topic you wish to comment on related to CBA. All responses can be anonymous.

To access the survey, visit www.cba.ca.gov and under “Quick Hits,” select the “CBA Stakeholder Feedback” link.



GUIDANCE TO HELP ENSURE A SMOOTH LICENSE RENEWAL

Getting your active license renewed at the CBA is easy. The following reminders provide the necessary information and required documents so the CBA can quickly process your renewal application:

Renew Online

The CBA recently launched a new system that will accept renewal fee payments through our website for active CPA, PA, corporation, and partnership licenses. You may also submit the required documentation (see below for more detail) via email. Read more about this new service in our “Save Time, Renew Online” article on page 5.

Ensure Your Renewal Application Is Complete

CBA staff often receive incomplete renewal applications from our licensees. When renewing an active license, it is necessary to fill out the entire application. There are three parts to the application:

- Part A includes several questions that, among other uses, helps the CBA to determine which continuing education (CE) requirements are applicable to your license.
- Part B is where you report any change of address and sign to verify the accuracy of the information you are submitting.
- Part C is where your CE courses are reported. When completing Part C, please fill out the full page, following carefully the renewal instructions included with the application. After you list all of your courses, review the document to ensure that each column is filled out for each course. Incomplete reporting of CE prevents us from determining whether your renewal requirements have been met, and leads to delays in processing your application.

Article 12 of the CBA's Regulations, beginning with section 80, establishes the CBA's CE rules and require that a minimum of 20 hours of CE be completed in each year of the renewal reporting period. Also, 12 of those hours must be in technical subject areas. The license renewal reporting period is the two-year period immediately preceding your renewal date. If you do not meet this requirement, you may be issued a citation and fine. For more information, see our article on CE requirements in this issue of *UPDATE*.

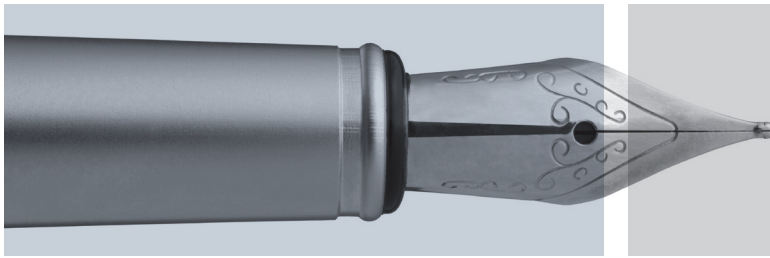
Include the Peer Review Reporting Form (PR-1)

The PR-1 Form must be completed and submitted with your renewal application. Please complete the form as it pertains to your individual license. Depending on your circumstances, you may be able to skip some questions as indicated on the form.

Staff Assistance Available

Our goal is to help ensure you have a quick and smooth renewal of your active license. If you have any questions, please contact the License Renewal and Continuing Competency Unit at (916) 561-1702 or renewalinfo@cba.ca.gov.





RETIRING SOON FROM PUBLIC ACCOUNTING?

With many considering retirement in the near future, CBA wants to offer the following tips and reminders during this time of transition:

Selling or Merging Your Practice and Transfer of Client Records

If you plan to sell or merge your practice with another firm, prior to disclosing any client information to another person, California law requires you to enter into a written nondisclosure agreement regarding that client information. This requirement began Jan. 1, 2018, and helps safeguard client confidentiality.

In addition, be sure to follow all CBA regulations and appropriate professional standards that may govern the disclosure, transfer, or storage of client records.

Retired Status

The CBA allows an individual who held a CPA license in the United States or its territories for at least 20 years (with a minimum of five years with CBA) to place their license in a retired status. While in this status you may not practice public accountancy.

To get started, submit the application (available on the CBA website under the “Licensees” link) and pay a one-time \$75 fee. Although a retired status license must be renewed every two years, there are no additional fees and you are exempt from continuing education requirements. You may return your license to active status, but may only place it in retired status twice.

To learn more, visit www.cba.ca.gov and select the “Licensees” link, then select the “Retired Status” link. For assistance, you may contact the License Renewal Unit at (916) 561-1702 or renewalinfo@cba.ca.gov.

CONTINUING EDUCATION VIOLATIONS ON THE RISE

Want to make sure your license renewal goes smoothly? One critical element is to complete all required continuing education on time.

To renew an active license, CBA licensees are required to complete at least 20 hours of continuing education (CE) during each year of their two-year renewal period, with a minimum of 12 hours in technical subject areas (referred to as the “20/12 requirement”). Completing CE classes each year helps protect consumers by ensuring licensees receive regular and consistent education and training on key topics related to their area of practice.

Failing to comply with the 20/12 requirement is the most common CE-related violation. For the first three months of the current fiscal year (July 1, 2018 to Sept. 30, 2018) the CBA has issued 151 citations and fines due to compliance issues relating to the 20/12 requirement.

The initial fine amount for this violation is \$150, with repeat violators possibly receiving a fine of up to \$5,000. If those licensees continue to violate this CE requirement, they may be referred to the Office of the California Attorney General for formal discipline.

Licensees can expect further communication from the CBA on this important matter as we work to increase awareness of, and compliance with, the 20/12 requirement.

For more information on these and other CE licensing requirements, please visit www.cba.ca.gov, click on the “Licensees” tab, then click on the “License Renewal and Continuing Education” link.



WHAT HAPPENS DURING SUNSET REVIEW?

The California Legislature created the sunset review process in 1994 to further its oversight responsibilities. Each year, the Assembly Committee on Business and Professions and the Senate Committee on Business, Professions, and Economic Development Committee meet together to review certain boards and bureaus under the Department of Consumer Affairs (DCA) and help ensure they effectively protect consumers.

The term “sunset” is used because the statutory authority of those DCA boards and bureaus, including the CBA, contain a deadline for the legislature to reauthorize the authority of that board or bureau. Unless legislation is enacted to reauthorize that board or bureau, the statutory authority for that entity would lapse, or “sunset.”

Sunset review provides an opportunity for DCA, the Legislature, and various stakeholders to discuss the performance of the boards and bureaus, and recommend improvements. In general, each DCA board and bureau experiences sunset review every four years. The CBA will undergo this review in 2019.

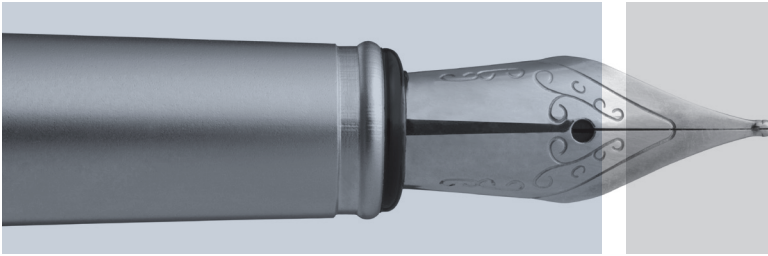
In the year prior to its sunset review, each DCA board and bureau must submit a comprehensive report to the Legislature that discusses its activities and performance since the prior sunset review. The CBA submitted its *Sunset Report* to the legislature in Nov. 2018 and it is available online.

On Feb. 26, CBA testified before the Legislature during its sunset review hearing. Just prior to the hearing, legislation to extend the CBA's sunset date (Assembly Bill 1521) was introduced. A hearing on this bill before the Assembly Business and Professions Committee is expected on April 23.

The sunset review process is a key aspect of California's commitment to consumers. Look to future *UPDATE* issues for the latest information on this process as it unfolds for the CBA in 2019.

To read the CBA's current, and prior, sunset reports, visit www.cba.ca.gov, select the “**Communications & Outreach**” link, then choose “**CBA Reports.**”





UPDATE WINTER 2019

ARE YOU AUTHORIZED? THE IRS AND FTB NEED TO KNOW

When you are filing taxes or checking account information online at the Internal Revenue Service (IRS) or Franchise Tax Board (FTB), the Electronic Freedom of Information Act, the Privacy Act, and/or Internal Revenue Code 6103 require written authorization from the person whose account you are accessing. Prior to viewing anyone's information, you must first take steps to obtain their authorization. Unauthorized access to account information is unlawful as described in section 502 of the California Penal Code, and could subject you to CBA investigation and enforcement action.

Both the IRS and FTB provide forms that must be filled out prior to accessing accounts on someone's behalf. You can find the IRS forms at: **www.irs.gov/forms-instructions**. The FTB forms are available at: www.ftb.ca.gov under the "Tax Professionals" tab.

As a general rule, forms, privacy requirements, and rules for client account access are subject to change. Keep in mind that all these forms do not give full access to all financial information on your clients' account—only a legal power of attorney form can do that.



**ARE YOU ON
LINKEDIN?
CONNECT WITH
THE CBA!**

The CBA has moved to a company page on LinkedIn, and we hope you will follow us to receive timely updates!

Find us at
www.linkedin.com/company/CBAnews.

Follow us for important information and updates from the CBA.

You can also find us on Facebook and Twitter, both **@cbaneews**.



ENFORCEMENT PROCESS

When CBA receives a complaint, an investigation is conducted. Information regarding a complaint generally is gathered by enforcement staff, which could include a licensee's appearance before the CBA Enforcement Advisory Committee.

Following this investigation, a recommendation is made to either (1) close the case with no violation of the Accountancy Act or CBA Regulations; (2) require the licensee to take prescribed continuing education; (3) issue a citation and fine; or (4) refer the case to the Attorney General's Office for review and possible preparation of an accusation against the licensee or a statement of issues relating to the applicant.

If charges are filed against a licensee, a hearing may be held before an independent administrative law judge who submits a proposed decision to be considered by CBA, or the matter may be settled. CBA may either accept the proposed decision or decide the matter itself. Please note that CBA actions reported here may not be final. After the effective date of CBA's decision, the licensee may obtain judicial review of its decision. On occasion, a court will order a stay of CBA's decision or return the decision to CBA for reconsideration.

Copies of the accusations, decisions, and settlements regarding any of these disciplinary and/or enforcement actions are available on the CBA website, www.cba.ca.gov, or by sending a written request to:

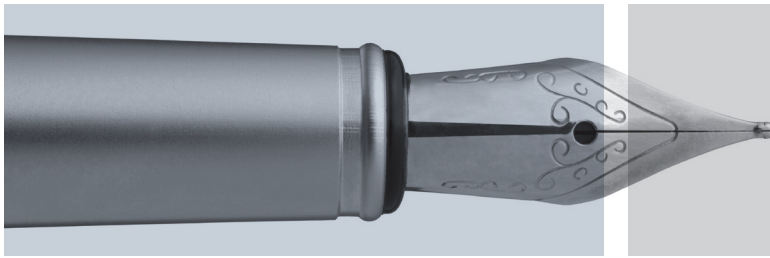
California Board of Accountancy
Attention: Disciplinary/Enforcement Actions
2450 Venture Oaks Way, Suite 300
Sacramento, CA 95833

Please state the licensee's name and license number, and allow 10 days for each request.

STANDARD TERMS OF PROBATION

CBA may revoke, suspend, or impose probation on a license for violation of applicable statutes or regulations. In addition to any case-specific terms of probation, the standard probationary terms include:

- Obey all federal, California, other state, and local laws, including those rules relating to the practice of public accountancy in California.
- Submit, within 10 days of completion of the quarter, written reports to CBA on a form obtained from CBA. The respondent shall submit, under penalty of perjury, such other written reports, declarations, and verification of actions as are required. These declarations shall contain statements relative to respondent's compliance with all the terms and conditions of probation. Respondent shall immediately execute all release of information forms as may be required by CBA or its representatives.
- During the period of probation, appear in person at interviews or meetings as directed by CBA or its designated representative, provided such notification is accomplished in a timely manner.
- Comply with the terms and conditions of the probation imposed by CBA, and cooperate fully with representatives of CBA in its monitoring and investigation of the respondent's compliance with probation terms and conditions.
- Be subject to and permit a "practice investigation" of the respondent's professional practice. Such "practice investigation" shall be conducted by representatives of CBA, provided notification of such review is accomplished in a timely manner.
- Comply with all final orders resulting from citations issued by CBA.
- In the event respondent should leave California to reside or practice outside this state, respondent must



ENFORCEMENT PROCESS CONTINUED FROM PAGE 14

notify CBA in writing of the dates of departure and return. Periods of non-California residency or practice outside the state shall not apply to reduction of the probationary period, or of any suspension. No obligation imposed herein, including requirements to file written reports, reimburse CBA costs, or make restitution to consumers, shall be suspended or otherwise affected by such periods of out-of-state residency or practice, except at the written direction of CBA.

- If respondent violates probation in any respect, CBA, after giving respondent notice and an opportunity to be heard, may revoke probation and carry out the disciplinary and/or enforcement order that was stayed. If an accusation or a petition to revoke probation is filed against respondent during probation, CBA shall have continuing jurisdiction until the matter is final, and the period of probation shall be extended until the matter is final.
- Upon successful completion of probation, respondent's license will be fully restored.

ENFORCEMENT DEFINITIONS

Accusation

A formal document that charges violation(s) of the California Accountancy Act and/or CBA Regulations by a licensee. The charges in the accusation are allegations. Allegations are not a final determination of wrongdoing and are subject to adjudication and final review by CBA pursuant to the Administrative Procedure Act.

Cost Recovery

The licensee is ordered to pay CBA certain costs of investigation and prosecution including, but not limited to, attorney's fees.

Default Decision

The licensee failed to file a Notice of Defense or has otherwise failed to request a hearing, object, or otherwise contest the accusation. CBA takes

action without a hearing based on the accusation and documentary evidence on file.

Effective Date

The date the disciplinary decision becomes operative.

Probation

The licensee may continue to engage in activities for which licensure is required, under specific terms and conditions.

Reinstatement

A revoked license that is restored, not sooner than one year from the date of revocation, to a clear or inactive status after petition to and approval by CBA. Reinstatement may include probation and/or terms and conditions.

Revocation

The individual, partnership, or corporation no longer is licensed as a result of a disciplinary action.

Stayed

The action does not immediately take place and may not take place if the licensee complies with other conditions (such as a probation term).

Stipulation

The matter is negotiated and settled without going to hearing.

Surrendered

The licensee has surrendered the license. The individual, partnership, or corporation no longer is licensed. CBA, however, may impose discipline against a surrendered license in certain circumstances. Surrender also may require certain conditions be met should the former licensee ever choose to reapply for licensure.

Suspension

The licensee is prohibited for a specific period of time from engaging in activities for which licensure is required.



ENFORCEMENT ACTIONS

CPA REVOCATIONS THROUGH DEC. 28, 2018

ANDERSON, LYNN E.

Sacramento
(CPA 51427)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Revocation of CPA license, via default decision.

Effective Oct. 29, 2018

CAUSES FOR DISCIPLINE:

Accusation No. AC-2018-77 contains the following allegations: (1) substantially related criminal conviction; (2) failure to report conviction to the CBA.

Ms. Anderson is subject to disciplinary action in that she was convicted of two misdemeanors on her plea of no contest of driving under the influence (DUI) with a blood alcohol content (BAC) of .32 percent. Ms. Anderson failed to report the Oct. 5, 2017 conviction to the CBA within 30 days.

The accusation also includes information regarding two prior DUI convictions as "discipline considerations." Specifically, on or around Oct. 18, 2016, Ms. Anderson was convicted of two misdemeanors: driving with a BAC of .22 percent and hit and run. Further, on or around Dec. 8, 2009, Ms. Anderson was convicted of driving with a BAC of .28 percent, a misdemeanor.

FOR VIOLATIONS OF:

Business and Professions Code, Division 1, Chapter 1, §§ 490(a); Division 3, Chapter 1, §§ 5063(a), 5100(a) and (g).

BIALIK, GLENN JAMES

Oakland
(CPA 61480)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Revocation of CPA license, via default decision.

Effective Dec. 28, 2018

CAUSES FOR DISCIPLINE:

Accusation No. AC-2018-62 contains the following allegations: (1) practicing without a permit; (2) using title of certified public accountant; (3) failing to obtain a peer review; (4) unprofessional conduct; (5) unprofessional conduct—dishonesty, fraud; (6) unprofessional conduct—willful violation of accountancy act, rule, or regulation.

Mr. Bialik subjected his license to disciplinary action in that he engaged in the practice of public accountancy without a valid permit after his CPA license expired.

Mr. Bialik subjected his license to disciplinary action in that he used the CPA designation to sign audit reports after his CPA license expired.

Mr. Bialik subjected his license to disciplinary action in that he failed to complete a mandatory peer review as required.

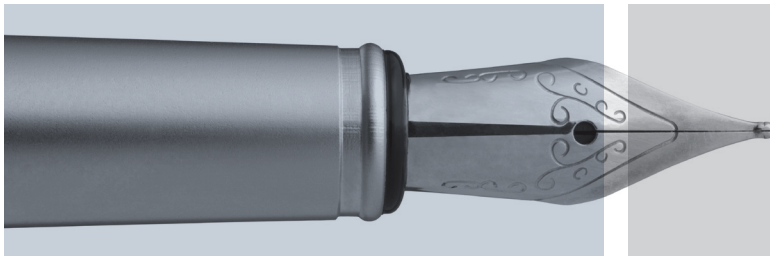
Mr. Bialik subjected his license to disciplinary action in that he engaged in unprofessional conduct as set forth in the accusation.

Mr. Bialik subjected his license to disciplinary action in that he engaged in fraud and was dishonest with clients when he knowingly held himself out as a CPA and signed audit reports when his CPA license was expired.

Mr. Bialik subjected his license to disciplinary action in that he practiced public accountancy without a valid permit, used the CPA title with an expired license, failed to have a mandatory peer review, failed to respond to the CBA's multiple requests for information, and failed to comply with citation orders.

FOR VIOLATIONS OF:

Business and Professions Code, Division 3, Chapter 1, §§ 5050, 5055, 5076(a), 5100(c) and (g). California Code of Regulations, Title 16, Division 1, §§ 40, 41, 52, and 95.4.



UPDATE WINTER 2019

CPA REVOCATIONS THROUGH DEC. 28, 2018

CHOI, HEY JUNG

Fullerton
(CPA 100224)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Revocation of CPA license, via default decision.

Effective Dec. 28, 2018

CAUSE FOR DISCIPLINE:

Accusation No. AC-2018-76 contains the following allegations: (1) conviction of substantially related crime (2017); (2) conviction of substantially related crime (2016); (3) failure to report criminal convictions.

Ms. Choi subjected her license to disciplinary action in that she was convicted of crimes that are substantially related to the qualifications, functions, and duties of a certified public accountant in the criminal proceedings titled *People of the State of California v. Kelly Choi*, in Los Angeles County Superior Court, case number VA142293; and *People of the State of California v. Kelly Choi*, in Los Angeles County Superior Court, case number 5BF08789.

Ms. Choi subjected her license to disciplinary action in that she failed to report the convictions within 30 days of their occurrence as required by section 5063.

FOR VIOLATIONS OF:

Business and Professions Code, Division 1.5, Chapter 3, § 490; Division 3, Chapter 1, §§ 5063, 5100(a) and (g).

COBALIS, RICHARD ROLAND ROLAND COBALIS, CPA, APC

Twentynine Palms
(CPA 79824 and COR 5022)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Revocation of CPA and COR licenses, via default decision.

Effective Oct. 29, 2018

CAUSE FOR DISCIPLINE:

Accusation No. D1-2015-26 contains the following allegations: (1) failure to report peer review; (2) failure to respond to CBA inquiry; (3) failure to complete continuing education (CE).

The following grounds are alleged to revoke probation: (1) failure to comply with probation condition 2 (cost recovery); (2) failure to comply with probation condition 3 (submit written reports); (3) failure to comply with probation condition 12 (ethics CE); (4) failure to comply with probation condition 13 (regulatory review course); (5) failure to comply with probation condition 14 (maintain active license status); (6) failure to comply with probation condition 15 (administrative penalty); (7) failure to comply with probation condition 5 (compliance with terms and conditions of probation).

Mr. Cobalis is subject to disciplinary action in that he failed to report peer review when he failed to submit a peer review reporting form when he attempted to renew his CPA license in active status for the renewal period ending Jan. 31, 2017.

Mr. Cobalis is subject to disciplinary action in that he failed to respond to CBA inquiry when he failed to respond to the CBA's inquiry letters in July 2017 and Sept. 2017 relating to the deficiencies in his renewal application.

Mr. Cobalis failed to complete the required 80 hours of CE to renew his license.

Mr. Cobalis and the corporation were placed on three years' probation pursuant to a stipulated settlement, effective March 6, 2017, which was the subject of the petition to revoke probation.

Mr. Cobalis and the corporation failed to submit cost reimbursements for quarters ending March 31, 2017; June 30, 2017; and Sept. 30, 2017, as required by probation condition 2.

Mr. Cobalis and the corporation failed to submit quarterly written reports regarding compliance with probation for quarters ending March 31, 2017; June 30, 2017; and Sept. 30, 2017, as required by probation condition 3.



CPA REVOCATIONS THROUGH DEC. 28, 2018

Mr. Cobalis failed to complete the four hours of ethics CE as required by probation condition 12, due on Sept. 2, 2017.

Mr. Cobalis failed to complete a CBA-approved regulatory review course as required by probation condition 13, due on Sept. 2, 2017.

The corporation failed to maintain an active license status as required by probation condition 14. The license for the corporation was renewed through Nov. 30, 2017, expired on Dec. 1, 2017, and as of the date of the petition to revoke probation, is in a "delinquent" status.

Mr. Cobalis and the corporation failed to pay the administrative fine of \$2,500 as required by probation condition 15, due on Jan. 4, 2018.

Mr. Cobalis and the corporation failed to comply with the terms of probation. As such, they are in violation of probation condition 5.

FOR VIOLATIONS OF:

Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5076, 5100 (c) and (g). California Code of Regulations, Title 16, Division 1, §§ 40, 41, 45, 52, 58.

KIM, JAE YOUNG

Los Angeles
(CPA 34684)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Revocation of CPA and COR licenses, via proposed decision.

Effective Oct. 29, 2018

CAUSES FOR DISCIPLINE:

Accusation No. AC-2017-81 contains the following allegations: (1) conviction of a substantially related crime; (2) knowingly preparing, publishing, or disseminating false, fraudulently or materially misleading financial statements, reports, or information.

On Dec. 1, 2016, Mr. Kim was convicted on his plea of nolo contendere of two felony counts of workers

compensation fraud for knowingly making and causing to make a false and fraudulent statement, orally and in writing, of a fact material to determining the premium, rate, and cost of a policy in order to reduce the premium for that policy. Specifically, from Jan. 1, 2006, through Oct. 27, 2007, Mr. Kim made these knowing representations while acting as a CPA and knowingly defrauded the State Compensation Insurance Fund and private insurers of millions of dollars by misrepresenting payroll figures, so his clients paid substantially less in premiums. At the administrative hearing, the parties agreed that this is a substantially related crime.

The administrative law judge noted that Mr. Kim took no responsibility for his actions that led to the conviction and testified that he relied on the information provided to him by clients in preparing reports. Further, Mr. Kim provided no evidence mitigating the conduct that led to his conviction, submitted no significant evidence in support of his position that he should receive minimal discipline, and, at the time of the administrative hearing (May and July 2018), had not informed his clients of his conviction.

FOR VIOLATIONS OF:

Business and Professions Code, Division 1, Chapter 1, §§ 490; Division 3, Chapter 1, §§ 5100(a) and (j).

LARSON, CHRISTIAN

Santa Barbara
(CPA 54280)

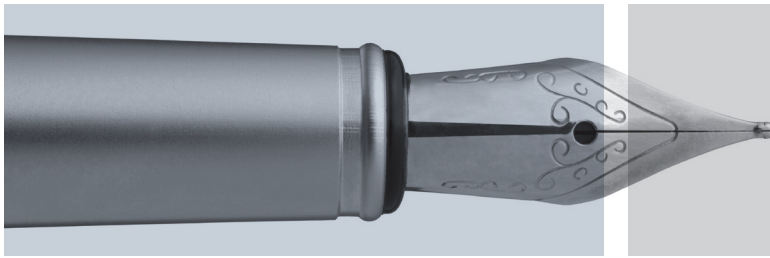
DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Revocation of CPA license, via default decision.

Effective Oct. 29, 2018

CAUSES FOR DISCIPLINE:

Accusation No. AC-2018-67 contains the following allegations: (1) practice of accountancy with expired license; (2) failure to notify CBA of change of address; (3) failure to respond to board inquiry within 30 days; (4) failure to comply with citation.



UPDATE WINTER 2019

CPA REVOCATIONS THROUGH DEC. 28, 2018

Mr. Larson is subject to disciplinary action in that he practiced accountancy with an expired license when he held himself out as a CPA after his license expired on Jan. 1, 2012 and prepared tax returns in 2013 and 2014.

Mr. Larson is subject to disciplinary action in that he failed to change his address of record with the CBA. In August 2015, the CBA notified Mr. Larson of a complaint that had been filed against him. The letters were returned to the CBA as "not deliverable as addressed." In Jan. 2016, a CBA investigator visited Mr. Larson's address of record and found a separate business at that address.

Mr. Larson is subject to disciplinary action in that he failed to respond to a board inquiry within 30 days in Aug. 2015 and March 2016 when the CBA requested that he respond to the allegations made by two complainants.

Mr. Larson is subject to disciplinary action in that he failed to comply with a CBA citation issued to him in Nov. 2013. The citation ordered payment of a \$250 fine and that Mr. Larson file a peer review reporting form within 30 days.

FOR VIOLATIONS OF:

Business and Professions Code, Division 3, Chapter 1, §§ 5050(a), 5051(a), (b), (c), (d), (e), (g) and 5100(g). California Code of Regulations, Title 16, Division 1, §§ 3, 52 and 95.4.

OTHER ENFORCEMENT ACTIONS

THROUGH DEC. 28, 2018

CARY, JUSTIN SAMUEL

Mission Viejo
(CPA 104328)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Revocation stayed with three years' probation, via stipulated settlement.

Certified public accountancy certificate No. 104328 issued to Justin Samuel Cary is suspended for 45 days.

Mr. Cary shall reimburse the CBA \$2,398.66 for its investigation and prosecution costs.

Mr. Cary shall complete four hours of CE in ethics. The hours shall be completed within the 45-day period of suspension and are in addition to the CE requirements for relicensing.

Mr. Cary shall complete a CBA-approved regulatory review course. The course shall be completed within the 45-day period of suspension and is in addition to the CE requirements for relicensing.

Mr. Cary shall comply with the order issued by the Securities and Exchange Commission (SEC) on or about Jan. 19, 2018, in the case titled Securities and Exchange Commission v. Justin Samuel Cary No. 17-CV-01649. Mr. Cary shall report such compliance in his quarterly written reports.

Mr. Cary shall maintain an active license status.

Mr. Cary shall comply with procedures provided by the CBA or its designee regarding notification to, and management of, clients.

Other standard terms of probation.

Effective Oct. 29, 2018

CAUSE FOR DISCIPLINE:

Accusation No. AC-2018-71 contains the following allegation: suspension of right to practice before the SEC, a governmental agency.

Mr. Cary is subject to disciplinary action in that on or about Jan. 19, 2018, he was suspended from appearing or practicing before the SEC.

FOR VIOLATIONS OF:

Business and Professions Code, Division 1, Chapter 1, § 141; Division 3, Chapter 1, §§ 5100(h) and (l).



OTHER ENFORCEMENT ACTIONS THROUGH DEC. 28, 2018

CHANG, ROBERT T. ROBERT CHANG ACCOUNTANCY CORPORATION (CORPORATION)

Anaheim
(CPA 15716 and COR 5663)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Revocation stayed with three years' probation, via stipulated settlement.

Mr. Chang and the corporation shall jointly and severally reimburse the CBA \$6,061.88 for its investigation and prosecution costs.

Mr. Chang shall complete four hours of CE in ethics. The hours shall be completed within 180 days of the effective date of the CBA's decision and order and are in addition to the CE requirements for relicensing.

Mr. Chang shall complete a CBA-approved regulatory review course. The course shall be completed within 180 days of the effective date of the CBA's decision and order and is in addition to the CE requirements for relicensing.

During the period of probation, all compilation reports and work papers shall be subject to peer review by a CBA-recognized peer review program provider pursuant to California Business and Professions Code section 5076 and California Code of Regulations, Title 16, Division 1, Article 6, commencing with section 38, at Mr. Chang and the corporation's expense. The specific engagements to be reviewed shall be at the discretion of the peer reviewer. Within 45 days of the peer review report being accepted by a CBA-recognized peer review program provider, Mr. Chang and the corporation shall submit to the CBA a copy of the peer review report, including any materials documenting the prescription of remedial or correction actions imposed by the CBA-recognized peer review program provider. Mr. Chang and the corporation shall also submit, if available, any materials documenting completion of any or all of the prescribed remedial or corrective actions.

During the period of probation, if Mr. Chang or the corporation undertake a compilation engagement, they shall submit to the CBA as an attachment to the required quarterly report a listing of the same. The CBA or its designee may select one or more from each category

and the resulting report and financial statement and all related working papers must be submitted to the CBA or its designee upon request.

During probation, Mr. Chang and the corporation shall be prohibited from engaging in and performing any audits, reviews, or attestation engagements.

After the completion of probation, Mr. Chang and the corporation shall be permanently prohibited from engaging in and performing any audits, reviews, or other attestation services. This condition shall continue until such time, if ever, Mr. Chang and the corporation, or either of them, successfully petitions the CBA for the reinstatement of the ability to perform audits, reviews, or other attestation services.

Mr. Chang and the corporation shall maintain an active license status.

Other standard terms of probation.

Effective Dec. 28, 2018

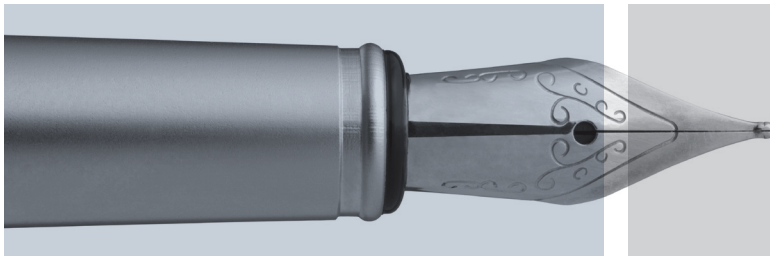
CAUSE FOR DISCIPLINE:

Accusation No. AC-2017-96 contains the following allegations: (1) insufficient audit documentation; (2) failure to retain audit work papers; (3) failure to comply with professional standards.

Mr. Chang and the corporation are subject to disciplinary action in that they failed to maintain audit documentation sufficient to enable a reviewer with relevant knowledge and experience, having no previous connection with the audit engagement, to understand the nature, timing, extent, and results of the auditing or other procedures performed, evidence obtained, and conclusions reached, and to determine the identity of the persons who performed and reviewed the work, with respect to their audit engagement for a client, for the year ended Dec. 31, 2012.

Mr. Chang and the corporation are subject to disciplinary action in that they failed to retain audit documentation (audit work papers) with respect to their audit engagement for a client, for the year ended Dec. 31, 2012, for seven years from the date of issuance of the report (report release date).

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UPDATE WINTER 2019

OTHER ENFORCEMENT ACTIONS THROUGH DEC. 28, 2018

Mr. Chang and the corporation are subject to disciplinary action in that they failed to comply with all applicable professional standards by failing to prepare audit documentation in sufficient detail to provide a clear understanding of the work performed, the audit evidence obtained and its source, and the conclusions reached, with respect to their audit engagement for a client, for the year ended Dec. 31, 2012.

FOR VIOLATIONS OF:

Business and Professions Code, Division 3, Chapter 1, §§ 5097(b) and (e), and 5100(e) and (g). California Code of Regulations, Title 16, Division 1, §§ 58 and 68.3.

FRANK, DAVID TERRY

Murrieta
(CPA 52841 and FNP 2540)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Revocation stayed with three years' probation, via stipulated settlement.

Mr. Frank shall reimburse CBA \$2,423.43 for its investigation and prosecution costs.

Mr. Frank shall complete four hours of CE in ethics within 180 days of the effective date of the CBA's decision and order and are in addition to the CE requirements for relicensing.

Mr. Frank shall complete a CBA-approved regulatory review course within 180 days of the effective date of the CBA's decision and order and is in addition to the CE requirements for relicensing.

Mr. Frank shall pay the CBA an administrative penalty in the amount of \$2,500 for violation of the California Accountancy Act.

Mr. Frank shall be permanently prohibited from engaging in and performing any audits, reviews, compilations, or other attestation services. This condition shall continue until such time, if ever, Mr. Frank successfully petitions the CBA for the reinstatement of the ability to perform any audits, reviews, compilations, or other attestation services.

Mr. Frank shall maintain an active license status.

Other standard terms of probation.

Effective Dec. 28, 2018

CAUSE FOR DISCIPLINE:

Accusation No. AC-2018-79 contains the following allegations: (1) failure to comply with peer review; (2) failure to respond to board inquiries; (3) failure to complete CE.

Mr. Frank is subject to disciplinary action in that he failed to enroll in and obtain a peer review as required.

Mr. Frank is subject to disciplinary action in that he failed to respond to the CBA's multiple requests for information regarding the status of his peer review.

Mr. Frank is subject to disciplinary action in that he failed to complete 24 hours of government auditing CE for the renewal period that ended on April 30, 2016.

FOR VIOLATIONS OF:

Business and Professions Code, Division 3, Chapter 1, §§ 5076 and 5100 (g). California Code of Regulations, Title 16, Division 1, §§ 40, 41, 52(a), and 87(c).

GUPTA, MAYANK

India
(CPA 123625)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Revocation stayed with three years' probation, via stipulated settlement.

CPA certificate No. 123625 issued to Mr. Gupta is suspended for 90 days.

Mr. Gupta shall reimburse the CBA \$4,850.31 for its investigation and prosecution costs. The payments shall be made in quarterly payments and due with the quarterly reports, the final payment being due six months before probation is scheduled to terminate. Mr. Gupta shall complete four hours of CE in ethics. The hours shall be

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OTHER ENFORCEMENT ACTIONS THROUGH DEC. 28, 2018

completed within the 90-day period of suspension and are in addition to the CE requirements for relicensing.

Mr. Gupta shall complete a CBA-approved regulatory review course. The course shall be completed within the 90-day period of suspension and is in addition to the CE requirements for relicensing.

Mr. Gupta shall comply with the order issued by the SEC on or about Oct. 19, 2017, in the case titled In the Matter of Mayank Gupta, CPA, Administrative Proceeding File No. 3-18259. Mr. Gupta shall report such compliance in his quarterly written reports.

Mr. Gupta shall maintain an active license status.

Mr. Gupta shall comply with procedures provided by the CBA or its designee regarding notification to, and management of, clients.

Other standard terms of probation.

Effective Oct. 29, 2018

CAUSES FOR DISCIPLINE:

Accusation No. AC-2018-64 contains the following allegations: (1) discipline by an agency of the federal government; (2) discipline by the SEC; (3) failure to report discipline; (4) suspension of right to practice before a governmental agency.

Mr. Gupta is subject to disciplinary action in that on or about Oct. 19, 2017, in the case titled In the Matter of Mayank Gupta, CPA, Administrative Proceeding File No. 3-18259, the SEC, an agency of the federal government, imposed discipline on Mr. Gupta.

Mr. Gupta is subject to disciplinary action in that he was disciplined by the SEC.

Mr. Gupta is subject to disciplinary action in that he failed to report in writing to the CBA within 30 days the occurrence of any notice of the opening or initiation of an investigation by the SEC.

Mr. Gupta is subject to disciplinary action in that his right to practice as an accountant before the SEC, a governmental agency, was suspended.

FOR VIOLATIONS OF:

Business and Professions Code, Division 1, Chapter 1, § 141; Division 3, Chapter 1, §§ 5063(b) and 5100(g), (h), and (l).

HALLE, JOEL EDWARD

Elverta
(CPA 28643)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Revocation stayed with three years' probation, via stipulated settlement.

Mr. Halle shall reimburse the CBA \$8,079.60 for its investigation and prosecution costs.

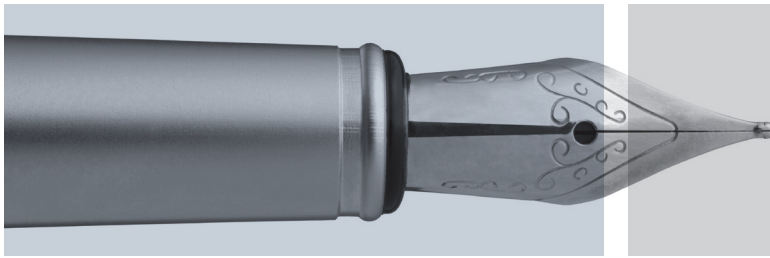
Mr. Halle shall complete four hours of CE in ethics. The hours shall be completed within 180 days of the effective date of the CBA's decision and order and are in addition to the CE requirements for relicensing.

Mr. Halle shall complete a CBA-approved regulatory review course. The course shall be completed within 180 days of the effective date of the CBA's decision and order and is in addition to the CE requirements for relicensing.

Mr. Halle shall complete and provide proper documentation of 24 hours of professional education courses with a minimum of eight hours in the subject area of audit documentation within 180 days of the effective date of the CBA's decision and order. This shall be in addition to the CE requirements for relicensing.

During the period of probation, all audit, review, and compilation reports and work papers shall be subject to peer review by a CBA-recognized peer review program provider pursuant to California Business and Professions Code section 5076 and California Code of Regulations, Title 16, Division 1, Article 6, commencing with section 38, at respondent's expense. The specific engagements to be reviewed shall be at the discretion of the peer reviewer. Within 45 days of the peer review report being accepted by a CBA-recognized peer review program provider. Mr. Halle shall submit to the CBA a copy of the peer review report, including any materials documenting the prescription of remedial or correction actions imposed by the CBA-recognized peer review program provider.

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UPDATE WINTER 2019

OTHER ENFORCEMENT ACTIONS THROUGH DEC. 28, 2018

Mr. Halle shall also submit, if available, any materials documenting completion of any or all of the prescribed remedial or corrective actions.

Mr. Halle shall maintain an active license status.

During the period of probation, if Mr. Halle undertakes an audit, review, or compilation engagement, Mr. Halle shall submit to the CBA as an attachment to the required quarterly report a listing of the same. The CBA or its designee may select one or more from each category and the resulting report and financial statement and all related working papers must be submitted to the CBA or its designee upon request.

Other standard terms of probation.

Effective Oct. 29, 2018

CAUSES FOR DISCIPLINE:

Accusation No. AC-2018-28 contains the following allegations: (1) gross negligence/repeated negligent acts; (2) failure of report to conform to professional standards; (3) insufficient audit documentation; (4) failure to comply with professional standards; (5) failure to complete peer review; (6) failure to notify the board.

Specifically, the accusation alleges that:

Mr. Halle engaged in gross negligence and/or repeated acts of negligence in his preparation of an audit for his client.

The audit report Mr. Halle prepared did not conform to professional standards.

Mr. Halle willfully failed to comply with all applicable professional standards, including but not limited to generally accepted accounting principles (GAAP) and generally accepted auditing standards (GAAS) in his preparation of the audit.

Mr. Halle's audit documentation in the audit did not contain sufficient documentation to enable a reviewer with relevant knowledge and experience, having no previous connection with the audit engagement, to understand the nature, timing, extent, and results of procedures performed, evidence obtained, and the conclusions reached.

Mr. Halle failed to complete a peer review before renewing his certified public accountant certificate.

Mr. Halle failed to notify the CBA that he was dropped from the peer review program on Dec. 22, 2014.

FOR VIOLATIONS OF:

Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5076, 5097(b) and (c), 5100(c), (e) and (g). California Code of Regulations, Title 16, Division 1, §§ 40, 41, 44, 58 and 68.2(a) and (b).

JENSEN, VAL N.

Santaquin, Utah
(CPA 84450)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Surrender of CPA license, via stipulated surrender.

Mr. Jensen shall pay the CBA for its costs of investigation and prosecution in the amount of \$1,590 prior to issuance of a new or reinstated registration certificate.

Effective Oct. 29, 2018

CAUSES FOR DISCIPLINE:

Accusation No. AC-2018-16 contains the following allegations: (1) conviction of a crime; (2) failure to report felony conviction.

Mr. Jensen is subject to disciplinary action in that, on or about Aug. 24, 2017, he was convicted in the criminal proceeding titled People v. Val Neil Jensen of one count of lewd or lascivious act with a child under the age of 14, a felony.

Mr. Jensen is subject to disciplinary action in that he failed to report in writing within 30 days of the occurrence of a felony conviction.

FOR VIOLATIONS OF:

Business and Professions Code Division 1, Chapter 1, § 490; Division 3, Chapter 1, §§ 5063(a), and 5100(a) and (g).



OTHER ENFORCEMENT ACTIONS THROUGH DEC. 28, 2018

JONAVIC, THEODORE PETER

Las Vegas, Nev.
(CPA 22783)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Revocation stayed with three years' probation, via stipulated settlement.

CPA certificate No. 22783 issued to Mr. Jonavic is suspended for 90 days.

Mr. Jonavic shall reimburse the CBA \$4,013.37 for its investigation and prosecution costs.

Mr. Jonavic shall complete four hours of CE in ethics. The hours shall be completed within the 90-day period of suspension and are in addition to the CE requirements for relicensing.

Mr. Jonavic shall complete a CBA-approved regulatory review course. The course shall be completed within the 90-day period of suspension and is in addition to the CE requirements for relicensing.

Mr. Jonavic shall comply with procedures provided by the CBA or its designee regarding notification to, and management of, clients.

Mr. Jonavic shall maintain an active license status.

Other standard terms of probation.

Effective Oct. 29, 2018

CAUSES FOR DISCIPLINE:

Accusation No. AC-2018-72 contains the following allegations: (1) conviction of a crime; (2) failure to report conviction to the CBA within 30 Days; (3) dishonesty or fraud; (4) fiscal dishonesty and breach of fiduciary duty; (5) willful violation.

Mr. Jonavic is subject to disciplinary action in that, on April 18, 2016, he was convicted on his plea of guilty to tax evasion, a crime substantially related to the qualifications, functions and duties of a certified public accountant, in United States District Court, Central District of California, United States v. Theodore Jonavic, case number 2:15-cr-00489-JFW.

Mr. Jonavic is subject to disciplinary action in that his conduct constitutes dishonesty or fraud.

Mr. Jonavic is subject to disciplinary action in that his conduct constitutes fiscal dishonesty and breach of fiduciary duty.

Mr. Jonavic is subject to disciplinary action in that his conduct show that he failed to report to the board in writing, within 30 days, of the occurrence of his conviction.

Mr. Jonavic is subject to disciplinary action in that his conduct constitutes willful violations of the Code, or rule or regulation promulgated by the board within its authority.

FOR VIOLATIONS OF:

Business and Professions Code Division 1, Chapter 1, § 490(a); Division 3, Chapter 1, §§ 5063(a), and 5100(a), (c), (g) and (i).

NORTON, DALE FRANKLIN JR.

Valencia
(CPA 16806)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Revocation stayed with three years' probation and six-month suspension, via stipulated settlement.

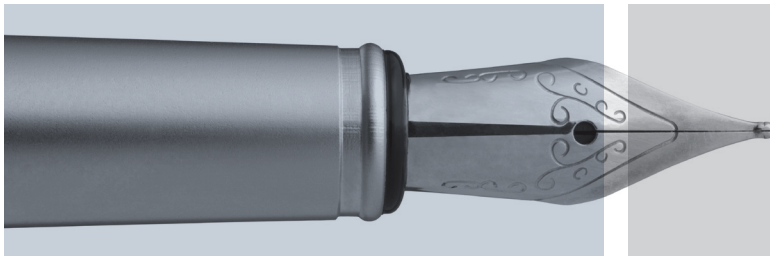
Mr. Norton shall reimburse CBA \$1,500 for its investigation and prosecution costs.

Mr. Norton shall complete four hours of CE in ethics, which shall be completed during the 180-day period of suspension and are in addition to the CE requirements for relicensing.

Mr. Norton shall complete a CBA-approved regulatory review course, which shall be completed during the 180-day period of suspension and are in addition to the CE requirements for relicensing.

Mr. Norton shall comply with procedures provided by the CBA or its designee regarding notification to, and management of clients.

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UPDATE WINTER 2019

OTHER ENFORCEMENT ACTIONS THROUGH DEC. 28, 2018

Mr. Norton shall comply with the terms and conditions relating to his criminal court probation.

Mr. Norton shall maintain an active license status.

Other standard terms of probation.

Effective Dec. 28, 2018

CAUSE FOR DISCIPLINE:

Accusation No. AC-2018-70 contains the following allegations: (1) convictions of substantially related crimes; (2) failure to report reportable event to the board. Mr. Norton is subject to disciplinary action in that he was convicted of crimes substantially related to the qualifications, functions or duties of a certified public accountant.

Mr. Norton is subject to disciplinary action in that he failed to notify the CBA in writing within 30 days of his having been convicted of a felony.

FOR VIOLATIONS OF:

Business and Professions Code, Division 1.5, Chapter 3, § 490, Division 3, Chapter 1, §§ 5063, and 5100(a) and (g). California Code of Regulations, Title 16, Division 1, § 99.

OBENYAH, AARON OBENYAH LLP (PARTNERSHIP)

Ukiah
(CPA 123746 and PAR 7681)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Revocation stayed with four years' probation, via proposed decision.

Mr. Obenyah and the partnership shall jointly and severally reimburse the CBA \$5,582.58 for its investigation and prosecution costs.

Mr. Obenyah and the partnership shall pay the board all costs associated with probation monitoring as determined by the board.

Mr. Obenyah and the partnership shall use engagement letters with each engagement accepted during probation and shall provide copies of the same to the board or its designee upon request.

Mr. Obenyah shall have immediate access to, shall use, and shall maintain published materials and/or checklists that are consistent with the practice, and shall be produced on-site for review by the board or its designee upon reasonable notice.

Mr. Obenyah shall complete four hours of CE in ethics within 180 days of the effective date of the CBA's decision and order and are in addition to the CE requirements for relicensing.

Mr. Obenyah shall complete a CBA-approved regulatory review course within 180 days of the effective date of the CBA's decision and order and is in addition to the CE requirements for relicensing.

During the period of probation, all audit, review and compilation reports and work papers shall be subject to peer review by a board-recognized peer review program provider at Mr. Obenyah and the partnership's expense. The review shall evaluate Mr. Obenyah and his firm's system of quality control, including its organizational structure, the policies and procedures established by the firm, and the firm's compliance with its quality control system as determined on the basis of a review of selected engagements. The specific engagements to be reviewed shall be at the discretion of the peer reviewer. Upon completion of the peer review, Mr. Obenyah and the partnership shall submit a copy of the report with the reviewer's conclusions and findings to the board.

Other standard terms of probation.

Effective Dec. 28, 2018

CAUSES FOR DISCIPLINE:

Accusation No. AC-2018-44 contains the following allegation: (1) issuance of report that does not conform to professional standards; (2) unauthorized signing of a report on attest engagement; (3) dishonesty in an engagement; (4) failure to comply with CE requirements; (5) failure to undergo peer review.

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OTHER ENFORCEMENT ACTIONS THROUGH DEC. 28, 2018

Mr. Obenyah is subject to disciplinary action in that he issued a report that did not conform with applicable professional standards.

Mr. Obenyah is subject to disciplinary action in that he signed a report on an attest engagement without having been issued a CPA license with the authority to sign such reports.

Mr. Obenyah is subject to disciplinary action in that he engaged in dishonesty in an engagement that resulted in a violation of applicable professional standards that indicate a lack of competency in the practice of public accountancy.

Mr. Obenyah is subject to disciplinary action in that he failed to comply with the CE requirements set forth in California Code of Regulations, title 16, section 87, subdivisions (d) and (f).

The partnership is subject to disciplinary action in that it failed to undergo required peer review.

FOR VIOLATIONS OF:

Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5076(a), 5095(a), 5100(c) and (g). California Code of Regulations, Title 16, Division 1, §§ 12.5(a) and (b), 39(a), 40(a), 41, 58, 87(d), (f), and (g), 94.

OSBORN, DONALD DAVID

Fountain Valley
(CPA 83145)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Revocation stayed with three years' probation, via stipulated settlement.

Mr. Osborn shall reimburse the CBA \$5,000 for its investigation and prosecution costs.

During and after the period of probation, Mr. Osborn shall be prohibited from performing audits, reviews, compilations, or other attestation engagements.

Mr. Osborn shall complete four hours of CE in ethics. The hours shall be completed within 180 days of the effective

date of the CBA's decision and order and are in addition to the CE requirements for relicensing.

Mr. Osborn shall complete a CBA-approved Regulatory Review course. The course shall be completed within 180 days of the effective date of the CBA's decision and order and are in addition to the CE requirements for relicensing.

Mr. Osborn shall maintain an active license status.

Other standard terms of probation.

Effective Oct. 29, 2018

CAUSE FOR DISCIPLINE:

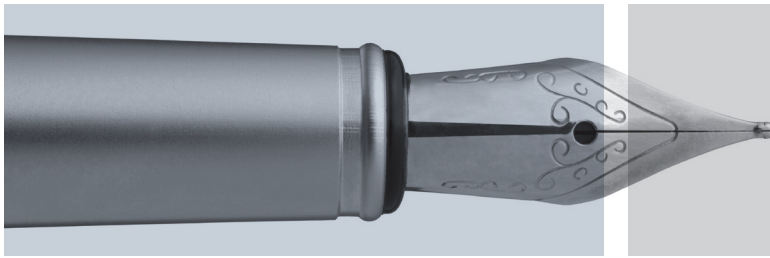
Accusation No. AC-2018-66 contains the following allegations: (1) Repeated Negligent Acts; (2) Gross Negligence; (3) Failure of Report to Comply with Professional Standards; (4) Failure to Comply with Professional Standards; (5) Failure to Identify Audit Documentation; (6) Failure to Complete Required CE; (7) Willful Failure to Enroll in and Participate in Peer Review; (8) False Statements in Obtaining a License.

Mr. Osborn is subject to disciplinary action in that he was repeatedly negligent when he performed an audit for a 401(k) Profit Sharing Plan (the Plan) for the years ended Dec. 31, 2015 and 2014, which departed from applicable standards and that indicated a lack of competency in the practice of public accountancy.

Mr. Osborn is subject to disciplinary action in that he was grossly negligent when he performed an audit for the Plan for the years ended Dec. 31, 2015 and 2014, which departed from applicable standards and that indicated a lack of competency in the practice of public accountancy.

Mr. Osborn is subject to disciplinary action in that he issued a report dated Oct. 8, 2016, without obtaining sufficient appropriate audit evidence to support the opinion. In addition, the reports issued by Mr. Osborn in 2013, 2014, and 2015 failed to comply with professional standards.

Mr. Osborn is subject to disciplinary action in that he failed to comply with all applicable professional standards in his audit engagement.



OTHER ENFORCEMENT ACTIONS THROUGH DEC. 28, 2018

Mr. Osborn is subject to disciplinary action in that the audit documentation did not contain sufficient documentation to enable a reviewer with relevant knowledge and experience, having no previous connection with the audit engagement, to understand the nature, timing, extent and results of procedures performed, evidence obtained, conclusions reached.

Mr. Osborn is subject to disciplinary action in that he failed to complete the required CE hours for the renewal periods ending Aug. 31, 2012, Aug. 31, 2014, and Aug. 31, 2016.

Mr. Osborn is subject to disciplinary action in that he failed to enroll in and obtain a peer review as required.

Mr. Osborn is subject to disciplinary action in that he renewed his CPA license in 2012, 2014, and 2016 by making the false statement on his renewal form that he was not subject to the accounting and auditing CE requirement.

Mr. Osborn is subject to disciplinary action in that Mr. Osborn made false statements in reporting peer review information to the CBA.

FOR VIOLATIONS OF:

Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5076, 5097, 5100(b), (c), (e), and (g). California Code of Regulations, Title 16, Division 1, §§ 40, 45(a) and (c), 58, 68.2, and 87.

PENOLIAR, WILFREDO A.

Los Angeles
(CPA 21427)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Surrender of CPA license, via stipulated surrender.

Mr. Penoliar shall pay the CBA for its costs of investigation and prosecution in the amount of \$38,112.68 prior to issuance of a new or reinstated registration certificate.

Effective Oct. 29, 2018

CAUSE FOR DISCIPLINE:

Accusation No. AC-2018-16 contains the following allegations: (1) repeated acts of negligence; (2) failure to comply with applicable professional standards; (3) willful violation of law regulating practice; (4) violation of audit documentation retention requirements.

Mr. Penoliar is subject to disciplinary action in that he engaged in repeated acts of negligence in the performance of audit engagements, due to his acts and/or omissions indicating a lack of competency in the practice of public accountancy and that depart from professional standards.

Mr. Penoliar is subject to disciplinary action in that he committed acts of unprofessional conduct by failing to comply with applicable professional standards, including generally accepted auditing standards, generally accepted government auditing standards and the Office of Management and Budget Circular A-133 (Single Audit), thus violating CBA regulatory section 58, requiring that a licensee shall comply with all applicable professional standards.

Mr. Penoliar is subject to disciplinary action due to his willful failure to comply with professional standards, the Accountancy Act and CBA regulations.

Mr. Penoliar is subject to disciplinary action in that Mr. Penoliar committed unprofessional conduct by failing to retain documentation for financial statements with year-end dates of Dec. 31, 2009, 2010, and 2011, including two engagements for the requisite retention period.

FOR VIOLATIONS OF:

Business and Professions Code, Division 3, Chapter 1, §§ 5097(e), 5100(c), (e), and (g). California Code of Regulations, Title 16, Division 1, §§ 58, and 68.3.



OTHER ENFORCEMENT ACTIONS THROUGH DEC. 28, 2018

RODRIGUEZ, BENITO

Hacienda Heights
(CPA 94524)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Revocation stayed with three years' probation, via stipulated settlement.

Mr. Rodriguez shall reimburse the CBA \$3,500 for its investigation and prosecution costs.

Mr. Rodriguez shall complete four hours of CE in ethics. The hours shall be completed within 180 days of the effective date of this Order and are in addition to the CE requirements for relicensing.

Mr. Rodriguez shall complete a CBA-approved regulatory review course. The course shall be completed within 180 days of the effective date of this Order and is in addition to the CE requirements for relicensing.

Mr. Rodriguez shall complete and provide proper documentation of 16 hours of professional education courses in the subject area of audits each year Mr. Rodriguez is on probation, for a total of 48 hours of CE. The 16 hours of CE shall be completed by March 31st of each year of probation and this shall be in addition to the CE requirements for relicensing.

During the period of probation, all audit, review, and compilation reports and work papers shall be subject to peer review by a CBA-recognized peer review program provider pursuant to California Business and Professions Code section 5076 and California Code of Regulations, Title 16, Division 1, Article 6, commencing with section 38, at Mr. Rodriguez's expense. The specific engagements to be reviewed shall be at the discretion of the peer reviewer. Within 45 days of the peer review report being accepted by a CBA-recognized peer review program provider, Mr. Rodriguez shall submit to the CBA a copy of the peer review report, including any materials documenting the prescription of remedial or correction actions imposed by the CBA-recognized peer review program provider. Mr. Rodriguez shall also submit, if available, any materials documenting completion of any or all of the prescribed remedial or corrective actions.

Mr. Rodriguez shall maintain an active license status.

Other standard terms of probation.

Effective Oct. 29, 2018

CAUSES FOR DISCIPLINE:

Accusation No. AC-2018-53 contains the following allegations: (1) repeated acts of negligence; (2) report failing to comply with professional standards; (3) failure to comply with professional standards; (4) inadequate audit documentation; (5) name of firm; (6) failure to comply with peer review requirements; (7) willful violation of professional standards

Mr. Rodriguez is subject to disciplinary action in that he engaged in repeated acts of negligence that indicate a lack of competency in the practice of public accountancy and depart from professional standards. Specifically, Mr. Rodriguez's audit documentation lacked evidence to support that the engagement was properly planned, he failed to obtain sufficient audit evidence, failed to obtain required management representations, and the audit report did not conform to professional standards.

Mr. Rodriguez is subject to disciplinary action in that the audit documentation failed to support the unqualified opinion in the auditor's report.

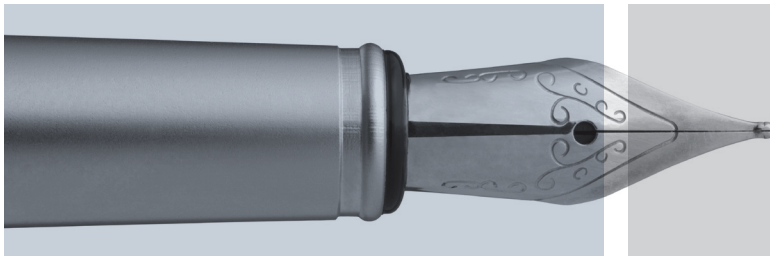
Mr. Rodriguez is subject to disciplinary action in that he failed to comply with professional standards in the performance of the audit.

Mr. Rodriguez is subject to disciplinary action in that he failed to properly document audit procedures and identify audit documentation.

Mr. Rodriguez is subject to disciplinary action in that he issued auditor reports in 2011 and in 2016 on the letterhead, "Benito O. Rodriguez & Co. A Certified Public Accountancy Firm." The firm name is not registered with the CBA.

Mr. Rodriguez is subject to disciplinary action in that he issued a report as early as June 30, 2012, and again, at least, on June 21, 2016, that subjected him to peer review requirements and failed to undergo peer review.

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UPDATE WINTER 2019

OTHER ENFORCEMENT ACTIONS THROUGH DEC. 28, 2018

Mr. Rodriguez is subject to disciplinary action in that he willfully failed to comply with professional standards, the Accountancy Act, and CBA Regulations.

FOR VIOLATIONS OF:

Business and Professions Code, Division 1, Chapter 1, § 141; Division 3, Chapter 1, §§ 5060, 5062, 5076, 5097, and 5100(c), (e), and (g). California Code of Regulations, Title 16, Division 1, §§ 40, 58, 67, 68.2, and 68.4.

SAKAI, MARGARET HYE-RYOUNG

Weston, Mass.
(CPA 60514)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Surrender of CPA license, via stipulated surrender.

Ms. Sakai shall pay the CBA for its costs of investigation and prosecution in the amount of \$4,039.08 prior to issuance of a new or reinstated registration certificate.

Effective Oct. 29, 2018

CAUSE FOR DISCIPLINE:

Accusation No. AC-2018-37 contains the following allegations: (1) discipline by a federal agency; (2) suspension/revocation of the right to practice before the SEC; (3) failure to report the opening of an investigation by the SEC; (4) failure to report the suspension/revocation of the right to practice as certified public accountant before any governmental agency.

Ms. Sakai is subject to disciplinary action in that, on or about May 1, 2017, she was disciplined and suspended from appearing or practicing before the SEC, a federal agency.

Ms. Sakai is subject to disciplinary action in that she was denied the privilege of appearing or practicing before the SEC.

Ms. Sakai is subject to disciplinary action in that she failed to report the opening or initiation of an investigation by the SEC Order.

Ms. Sakai is subject to disciplinary action in that she failed to report the suspension and/or revocation of her right to practice as a certified public accountant before the SEC, within thirty days of the date she had knowledge of the suspension and/or revocation.

FOR VIOLATIONS OF:

Business and Professions Code, Division 1, Chapter 1, § 141; Division 3, Chapter 1, §§ 5063(a) and (b), and 5100(g), (h), and (l).

SHEPHERD, EDWARD ALAN

Murrieta
(CPA 97594)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Revocation stayed with three years' probation, via stipulated settlement.

Mr. Shepherd shall reimburse CBA \$3,245.03 for its investigation and prosecution costs.

Mr. Shepherd shall complete four hours of CE in ethics, which shall be completed within 180 days of the effective date of the CBA's decision and order and are in addition to the CE requirements for relicensing.

Mr. Shepherd shall complete a CBA-approved regulatory review course, which shall be completed within 180 days of the effective date of the CBA's decision and order and is in addition to the CE requirements for relicensing.

Mr. Shepherd shall maintain an active license status.

Other standard terms of probation.

Effective Dec. 28, 2018

CAUSES FOR DISCIPLINE:

Accusation No. AC-2019-4 contains the following allegations: (1) false statements or omissions; (2) failure to comply with control and reporting requirements; (3) failure to meet mandatory minimum CE requirements; (4) failure to respond to board inquiries; (5) willful violations.

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OTHER ENFORCEMENT ACTIONS THROUGH DEC. 28, 2018

Mr. Shepherd is subject to disciplinary action in that he provided false statements or omissions in his Aug. 31, 2016 renewal application for a license.

Mr. Shepherd is subject to disciplinary action in that he submitted his application for license renewal into active status for the period ending Aug. 31, 2016, claiming he had completed the required total number of hours of required CE to maintain an active license, including a minimum of 20 hours of CE, including 12 hours in a technical subject matter, during each year of the two-year license renewal period. Upon being subjected to a CE audit review, he submitted certificates of completion which have different completion dates compared to the completion dates originally reported on his license renewal application. After receiving letters and being contacted to clarify the required hours of qualifying CE, he admitted that he does not have the certificates of completion for the dates indicated on his 2016 renewal application.

Mr. Shepherd is subject to disciplinary action in that he failed to comply with the requirement that a minimum of twenty hours of CE are to be taken each year of the two-year license renewal period for the license renewal period ending Aug. 31, 2016.

Mr. Shepherd is subject to disciplinary action in that he failed to respond to the CBA's requests for information including the CBA letter dated Dec. 6, 2017 and email dated Jun. 22, 2018.

Mr. Shepherd is subject to disciplinary action in that his actions constitute willful violations of rules and regulations promulgated by the board.

FOR VIOLATIONS OF:

Business and Professions Code, Division 3, Chapter 1, §§ 5070.5 and 5100(b) and (g). California Code of Regulations, Title 16, Division 1, §§ 52(a) and (d), 87, and 89.

TANAKA, PAUL KAZUO

Gardena
(CPA 64589)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Surrender of CPA license, via stipulated surrender.

Mr. Tanaka shall pay the CBA for its costs of investigation and prosecution in the amount of \$3,141.74 prior to issuance of a new or reinstated registration certificate.

Effective Oct. 29, 2018

CAUSES FOR DISCIPLINE:

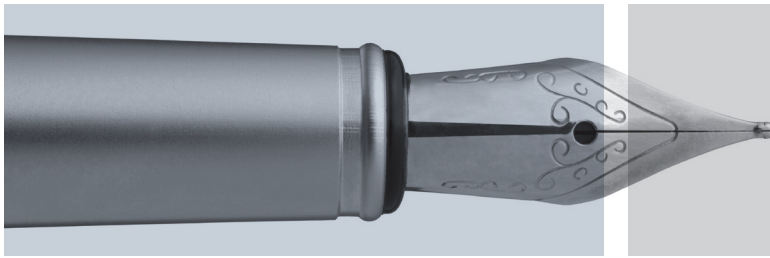
Accusation No. AC-2017-70 contains the following allegations: (1) conviction of a substantially related crime; (2) failure to report events.

Mr. Tanaka is subject to disciplinary action in that, on or about April 6, 2016, he was convicted of one felony count of conspiracy to obstruct justice and one felony count of obstruction of justice, crimes substantially related to qualifications, functions, and duties of a certified public accountant in the criminal proceeding titled United States of America v. Paul Tanaka (U.S. Dist. Ct., Cent. Dist. Of Cal., 2015, No. CR15-0255 PA). The court sentenced Mr. Tanaka to 60 months in prison.

Mr. Tanaka is subject to disciplinary action in that he failed to report in writing to the CBA within 30 days of his felony conviction.

FOR VIOLATIONS OF:

Business and Professions Code, Division 1, Chapter 1, § 490; Division 3, Chapter 1, §§ 5063(a), and 5100(a). California Code of Regulations, Title 16, Division 1, § 99.



OTHER ENFORCEMENT ACTIONS THROUGH DEC. 28, 2018

**WHITEHEAD, DARREL R.
DARREL WHITEHEAD CPAS, AN
ACCOUNTANCY CORPORATION
(CORPORATION)**

Huntington Beach
(CPA 88433 and COR 5798)

DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Revocation stayed with three years' probation, via stipulated settlement.

Darrel R. Whitehead and the corporation shall jointly and severally reimburse the CBA \$12,155.76 for its investigation and prosecution costs.

Mr. Whitehead shall complete four hours of CE in ethics, which shall be completed within 180 days of the effective date of the CBA's decision and order and are in addition to the CE requirements for relicensing.

Mr. Whitehead shall complete a CBA-approved regulatory review course, which shall be completed within 180 days of the effective date of the CBA's decision and order and is in addition to the CE requirements for relicensing.

Mr. Whitehead and the corporation shall enroll and provide documentation of their enrollment in a CBA-recognized peer review program within 30 days of the effective date of the CBA's decision and order. During the period of probation, all audit, review, and compilation reports and work papers shall be subject to peer review by a CBA-recognized peer review program provider. The specific engagement to be reviewed shall be at the discretion of the peer reviewer.

Mr. Whitehead, within 180 days of the effective date of the CBA's decision and order, shall complete and provide proper documentation of 24 hours of professional education courses in audit related subject matter, with a minimum of eight hours in documentation requirements associated with audit. This shall be in addition to the CE requirements for relicensure.

Mr. Whitehead and the corporation shall maintain active license statuses.

Other standard terms of probation.

Effective Dec. 28, 2018

CAUSE FOR DISCIPLINE:

Accusation No. AC-2017-98 contains the following allegations: (1) repeated negligent acts; (2) failure to comply with professional standards; (3) failure to issue report conforming to professional standards; (4) audit documentation; (5) repeated negligent acts; (6) failure to comply with professional standards; (7) failure to issue report conforming to professional standards; (8) audit documentation; (9) failure to document subsequent changes in audit documentation; (10) failure to complete peer review; (11) failure to cooperate with peer review program; (12) failure to respond to CBA inquiry.

Mr. Whitehead and the corporation are subject to disciplinary action in that they committed repeated negligent acts within their audit engagement for a client, each resulting in a violation of applicable professional standards indicating a lack of competency in the practice of public accountancy.

Mr. Whitehead and the corporation are subject to disciplinary action in that they failed to comply with all applicable professional standards with respect to their audit engagement for a client, including generally accepted auditing standards (GAAS), generally accepted government auditing standards (GAGAS), and GAAP.

Mr. Whitehead and the corporation are subject to disciplinary action in that they issued an audit report on Sept. 23, 2015, for a client that was not supported by sufficient appropriate evidence and failed to meet professional standards.

Mr. Whitehead and the corporation are subject to disciplinary action in that they failed to obtain sufficient appropriate evidence to support either the financial statements or the opinion rendered thereon, failed to maintain audit documentation sufficient to enable a reviewer with relevant knowledge and experience, having no previous connection with the audit engagement, to understand the nature, timing, extent, and results of the auditing or other procedures performed, evidence obtained, and conclusions reached, and to determine the identity of the persons who performed and reviewed the work, with respect to their audit engagement for a client.

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OTHER ENFORCEMENT ACTIONS THROUGH DEC. 28, 2018

Mr. Whitehead and the corporation are subject to disciplinary action in that they committed repeated negligent acts within their audit engagement for a client, each resulting in a violation of applicable professional standards indicating a lack of competency in the practice of public accountancy.

Mr. Whitehead and the corporation are subject to disciplinary action in that they failed to comply with all applicable professional standards with respect to their audit engagement for a client, including GAAS and GAAP.

Mr. Whitehead and the corporation are subject to disciplinary action in that they issued an audit report on July 16, 2014, for a client that was not supported by sufficient appropriate evidence and failed to meet professional standards.

Mr. Whitehead and the corporation are subject to disciplinary action in that they failed to obtain sufficient appropriate evidence to support either the financial statements or the opinion rendered thereon, failed to maintain audit documentation sufficient to enable a reviewer with relevant knowledge and experience, having no previous connection with the audit engagement, to understand the nature, timing, extent, and results of the auditing or other procedures performed, evidence obtained, and conclusions reached, and to determine the identity of the persons who performed and reviewed the work, with respect to their audit engagement for a client.

Mr. Whitehead and the corporation are subject to disciplinary action in that they added documents to the audit files after the documentation completion date without making the required documentation of by whom, when, and why they were added, with respect to their audit engagement for a client.

Mr. Whitehead and the corporation are subject to disciplinary action in that they failed to have a peer review report accepted by a board-recognized peer review program once every three years, from their last peer review report dated Oct. 31, 2012.

Mr. Whitehead and the corporation are subject to disciplinary action in that they failed to cooperate with their peer review program provider to arrange, schedule,

and complete their peer review.

Mr. Whitehead and the corporation are subject to disciplinary action in that they failed to respond to the CBA's inquiries regarding, among other things, their peer review compliance.

FOR VIOLATIONS OF:

Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5097, and 5100(c), (e), and (g). California Code of Regulations, Title 16, Division 1, §§ 40, 41, 52 (a), 58, and 68.4.

ZHAO, LANFENG ELZ ACCOUNTING CORPORATION

Walnut
(CPA 86813 and COR 5874)

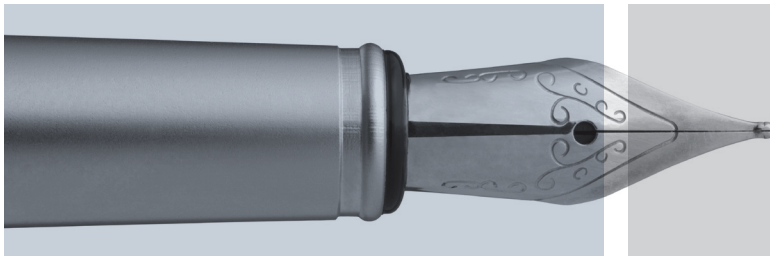
DISCIPLINARY ACTIONS/LICENSE RESTRICTIONS:

Revocation stayed with three years' probation, via proposed decision, of both the CPA and corporation licenses.

Ms. Zhao and the corporation shall reimburse the CBA in the amount of \$41,342.76 for its investigation and prosecution costs.

During the period of probation, all audit, review, compilation reports and work papers shall be subject to peer review by a certified peer reviewer at Ms. Zhao's or the corporation's expense. The review shall evaluate Ms. Zhao and her firm's system of quality control, including its organizational structure, the policies and procedures established by the firm, and the firm's compliance with its quality control system as determined on the basis of a review of selected engagements. The specific engagements to be reviewed shall be at the discretion of the peer reviewer. Upon completion of the peer review, Ms. Zhao or the corporation shall submit a copy of the report with the reviewer's conclusions and findings to the CBA.

Within six months of the effective date of the order Ms. Zhao shall complete, and provide proper documentation



UPDATE WINTER 2019

OTHER ENFORCEMENT ACTIONS THROUGH DEC. 28, 2018

of technical professional education courses in the subject area of auditing. The hours must be completed no later than April 29, 2019. These hours shall be in addition to the CE requirements for relicensing.

Other standard terms of probation.

Effective Oct. 29, 2018

CAUSE FOR DISCIPLINE:

Accusation No. AC-2018-42 contains the following allegations: (1) gross negligence; (2) willful violation—false statements provided in obtaining a license; (3) willful violation—failure to obtain required ce; (4) failure to comply with professional standards—audit report; (5) peer review; (6) insufficient audit documentation; (7) failure to comply with professional standards—performance of audits.

Ms. Zhao and the corporation were grossly negligent in the performance of two audits for a company for years ending 2014/2013 and 2011/2010 that departed extremely from professional standards. Further, the 2014/2013 audit report issued by Ms. Zhao and the corporation failed to comply with professional standards.

Ms. Zhao and the corporation's audit documentation for the years ending 2014/2013 and 2011/2010 was insufficient in that it would not enable a reviewer with

relevant knowledge and experience, having no previous connection with the audit engagement, to understand the nature, timing, extent, and results of the auditing or other procedures performed, evidence obtained, and conclusions reached, and to determine the identity of the persons who performed and reviewed the work. Further, the audit documentation for the years ending 2011/2010 failed to include an index or guide identifying the components of the audit documentation.

Ms. Zhao and the corporation made false statements in obtaining a license and failed to complete required CE when Ms. Zhao falsely claimed on her license renewal form that she timely completed required CE courses.

Ms. Zhao and the corporation failed to submit a copy of the failed peer review report to the CBA within 45 days as required, although that report had been accepted by the California Peer Review Committee.

FOR VIOLATIONS OF:

Business and Professions Code Division 3, Chapter 1, §§ 5062, 5076, 5097, 5100(b), (c), (e), and (g). California Code of Regulations, Title 16, Division 1, §§ 46(a), 58, 68.2(a), 87(a), and (f).

POLICY OF NONDISCRIMINATION ON THE BASIS OF DISABILITY AND EQUAL EMPLOYMENT OPPORTUNITY

The CBA does not discriminate on the basis of disability in employment or in the admission and access to its program and activities.

An Americans with Disabilities Act (ADA) coordinator has been designated to coordinate and carry out this agency's compliance with the nondiscrimination requirements of Title II of the ADA. Information concerning the provisions of the ADA, and the rights provided thereunder, is available from:

ADA Coordinator
California Board of Accountancy
2450 Venture Oaks Way, Suite 300
Sacramento, CA 95833

ADDRESS CHANGE FORM

A separate address change notice must be submitted for each license type.

Name of Applicant for Licensure or Licensee PLEASE PRINT

Last	First	Middle

Individual (CPA/PA) - License No. _____

Email Address (optional)

Name of Firm

☐

Corporation

☐

Partnership

☐

Fictitious Name

License No. _____

Firm Name

NEW Address of Record *(An Address of Record is Required)*

☐

Home

☐

Business (check one)

Be advised that if you are a licensed CPA/PA or firm, your address of record is public information, and all CBA correspondence will be sent to this address.

Business Name (if different from name above)

--	--

Street

☐

Apt. #

☐ Suite # (check one)

--	--	--

City

State

Zip

Former Address of Record

--	--

Street

☐

Apt. #

☐ Suite # (check one)

--	--	--

City

State

Zip

Alternate Address for Mail Drops and P.O. Boxes

If your address of record is a P.O. Box or Mail Drop, you are required to provide a street address. **This address will not be posted on CBA's Web License Lookup.**

--	--

Street

☐

Home

☐

Business (check one)

☐

Apt. #

☐ Suite # (check one)

--	--	--

City

State

Zip

Daytime Phone Number

Area Code

You may confirm your change of address on License Lookup at www.cba.ca.gov.

I certify the truth and accuracy of all of these statements and representations.

Signature _____ Date _____

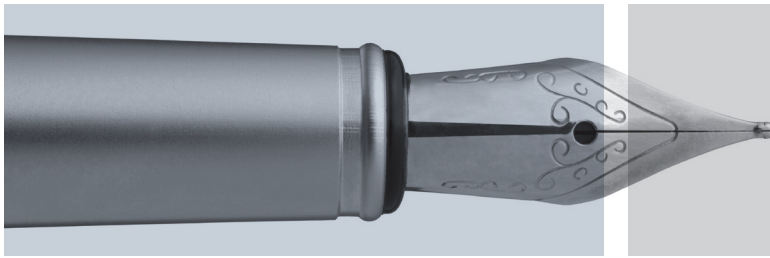
Print your name _____

A licensee who fails to notify the California Board of Accountancy within 30 days of a change of address of record may be subject to citation and fine (fines ranging from \$100-\$1,000) under the California Code of Regulations, Title 16, Division 1, sections 3, 95, and 95.2.

This form is being provided for your convenience. Other forms of written notice may be accepted by the CBA.

MAIL TO: California Board of Accountancy, 2450 Venture Oaks Way, Suite 300, Sacramento, CA 95833 or **FAX TO:** (916) 263-3678

The CBA maintains a list of all licensees. This list is sold to requestors for mailing list purposes. Check here only if you do not want your name included on this list. *Please Note: Your name and address of record is public information and can be accessed through our website at www.cba.ca.gov.*



UPDATE WINTER 2019

CALIFORNIA BOARD OF ACCOUNTANCY DIRECTORY www.cba.ca.gov

The CBA is committed to providing the highest level of customer service, and staff are here to help answer questions you may have regarding our programs. We strive to answer all incoming calls live, but during peak periods you may get our voice mail instead. If you leave us a voice-mail message, staff will return your call within one business day. Email messages are typically returned within three business days. For your convenience, we have provided contact information below for the different organizational units and functions at the CBA.

CBA UNIT	AREAS OF EXPERTISE	CONTACT INFORMATION
Administration	<ul style="list-style-type: none"> = License status check = General questions 	(916) 263-3680 www.dca.ca.gov/cba/consumers/lookup.shtml
Enforcement	<ul style="list-style-type: none"> = Filing a complaint = Disciplinary actions = Ethical questions regarding CPA practice 	(916) 561-1705 (916) 263-3673 Fax enforcementinfo@cba.ca.gov To access a complaint form, go to www.cba.ca.gov/forms/complaint/online_complaint_form
Examination	<ul style="list-style-type: none"> = Examination applications = Educational requirements = Exam scores = Name changes (exam candidates) = Transcripts 	(916) 561-1703 (916) 263-3677 Fax examinfo@cba.ca.gov
<i>Initial Licensing (Firms, Partnerships, Fictitious Names)</i>	<ul style="list-style-type: none"> = Licensing application for partnerships, corporations, and fictitious name permits 	(916) 561-4301 (916) 263-3676 Fax firminfo@cba.ca.gov
Initial Licensing (Individuals)	<ul style="list-style-type: none"> = Licensing application process for individual licenses = Name changes (CPAs and licensing applicants) = Wall/pocket certificate replacement = Certification of records 	(916) 561-1701 (916) 263-3676 Fax licensinginfo@cba.ca.gov
License Renewal	<ul style="list-style-type: none"> = License renewal, continuing education requirements = Changing license status = Fees due 	(916) 561-1702 (916) 263-3672 Fax renewalinfo@cba.ca.gov
Outreach/Public Information	<ul style="list-style-type: none"> = Events 	outreach@cba.ca.gov
Practice Privilege	<ul style="list-style-type: none"> = Out-of-state licensees wishing to practice in California = Out-of-state firm registration 	(916) 561-1704 (916) 263-3675 Fax pracprivinfo@cba.ca.gov

We are always looking for ways to improve our customer service practices. Please let us know how we served you by taking our survey at www.surveymonkey.com/r/H3XH8SV.

If you are unsure where to direct your questions, please call our main phone number at **(916) 263-3680**.

CALIFORNIA BOARD OF ACCOUNTANCY
2450 Venture Oaks Way, Suite 300
Sacramento, CA 95833
www.cba.ca.gov

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CBA's newsletter, *UPDATE*, is digital. You can sign up for E-News and be notified by email when the newest edition of *UPDATE* is posted to the CBA website, www.cba.ca.gov.

LIST OF CONTRIBUTORS

Aaron Bone
Patti Bowers
Terri Dobson
Paul Fisher, CPA

Dominic Franzella
Suzanne Gracia
Ashley Heebner

Jennifer Jackson
Monique Langer
Deanne Pearce

Ryan Wheeler
Ben Simcox, CPA
Kanitra Simmons

